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HOUSE JOINT MEMORIAL 96

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Mimi Stewart

A JOINT MEMORIAL

REQUESTING THAT THE ECONOMIC DEVELOPMENT DEPARTMENT STUDY THE EFFECTIVENESS OF STATE- SPONSORED BUSINESS INCENTIVES AND ADOPT REPORTING REQUIREMENTS ON AN ANNUAL BASIS ON THE USE OF COUNTY AND MUNICIPAL INDUSTRIAL REVENUE BONDS.

WHEREAS, the legislature finds that, although the state and its local governments have granted numerous economic development incentives to create jobs in New Mexico, wage levels and health care coverage of working families in New Mexico remain lower than national averages; and

WHEREAS, the legislature further finds that when workers receive low wages and poor benefits, such jobs often impose hidden taxpayer costs on New Mexico residents in the form of medicaid, food stamps, low-income tax rebates and other forms of public assistance to the working poor and their families;

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1 and

2 WHEREAS, the legislature further finds that it is
3 difficult to evaluate whether New Mexico's forty-seven
4 different state-sponsored business initiatives have been
5 successful, because of the lack of readily accessible
6 information regarding public investments, expenditures and
7 outcomes; and

8 WHEREAS, other states have economic development budgets
9 that include a reporting requirement on what economic
10 development incentives have achieved, and New Mexico should
11 also develop a reliable method to measure the effectiveness of
12 its state-sponsored business incentives; and

13 WHEREAS, other states have clawback provisions to
14 recapture tax revenues when beneficiaries of tax incentives
15 have not performed effectively to improve the state economy,
16 and New Mexico should also consider the use of clawback
17 provisions; and

18 WHEREAS, it is the intent of the legislature to improve
19 the effectiveness of economic development and to achieve the
20 goal of raising living standards for working families by
21 analyzing and reporting all state and local economic
22 development expenditures and incentives;

23 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
24 STATE OF NEW MEXICO that the economic development department
25 study methods to analyze, evaluate, measure and project the

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1 effectiveness of economic development incentives in meeting
2 their stated objectives and intended outcomes and adopt
3 reporting requirements on an annual basis on the use of county
4 and municipal industrial revenue bonds; and

5 BE IT FURTHER RESOLVED that the economic development
6 department report its findings to the governor, the legislative
7 finance committee, the revenue stabilization and tax policy
8 committee and any other appropriate legislative committee
9 charged with studying economic development matters; and

10 BE IT FURTHER RESOLVED that a copy this memorial be
11 transmitted to the secretary of economic development.